

Dowa Holdings to Expand into Europe

Establish a subsidiary in Germany

TOKYO, September 10, 2007 — Dowa Holdings Co., Ltd., announced today that it will establish a sales and research subsidiary in Germany in order to further develop its international operations. The new firm will be the Dowa Group's first European subsidiary.

The Dowa Group is engaged in five core businesses: nonferrous metals, environmental management & recycling, electronic materials, metal processing, and heat treatment. In recent years, Dowa has received an increasing number of inquiries from European firms, mainly related to metal-ceramic substrates and semiconductor products. The new European subsidiary will position Dowa to serve these potential clients and also to extend its services to Japanese clients with a European presence.

In Germany, where the new firm will have its offices, there are a large number of development and manufacturing sites in the automobile and semiconductor industries, and Dowa believes that there is considerable latent demand for its products. Germany has other advantages, as well, including its geographic position close to the center of Europe, its highly developed network of railways and expressways, and easy access to neighboring countries.

Dowa is currently promoting vigorously "Business Structure Reforms Plan", and the company's global development is a key element of that strategy. The new subsidiary represents the first step of Dowa's planned business expansion in Europe. Another of its vital roles will be to ensure a unified flow of information in order to ensure Dowa's strategic and efficient development of European markets.

Details on the New Subsidiary

Company name:	Dowa HD Europe GmbH
Paid-in capital:	25,000 Euro (approximately 4 million yen)
Shareholder:	Dowa Holdings Co., Ltd. (to contribute 100% of capital)
Location:	Nuremberg, Germany
Representative:	Junichi Nagao, President
Business to commence:	November 2007
Type of business:	(1) Sale of Dowa Group products in Europe (2) Market research and information gathering in relation to (1) above (3) Other activities as commissioned by the Dowa Group